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RICHARD A. MARSHACK

7 UNITED STATES BANKRUPTCY COURT

8 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

9  
10 In re  
11 NORTHERN HOLDING, LLC,  
12 Debtor.

Case No. 8:20-bk-13014-SC  
Chapter 7  
TRUSTEE'S STATUS REPORT  
REGARDING ONGOING CIVIL  
CONTEMPT PROCEEDINGS  
[CONTEMPT ORDER DOCKET NO. 424]

15 Continued Hearing  
16 Date: September 10, 2024  
17 Time: 11:00 a.m.  
Ctrm: 5C  
18 Location: United States Bankruptcy Court  
411 West Fourth Street  
Santa Ana, CA 92701-4593

19 TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,  
20 THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

21 Richard A. Marshack, the chapter 7 trustee (“Trustee”) of the bankruptcy estate (“Estate”) of  
22 Northern Holding, LLC (“Debtor”), submits this status report regarding the ongoing civil contempt  
23 proceedings against LeRoy E. Codding, IV (“Codding”), in advance of the hearing on September  
24 10, 2024.

25 **1. Brief Factual Restatement**

26 On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of  
27 Title 11 of the United States Code, initiating the above-captioned bankruptcy case. Codding was the  
28 managing member of Debtor.

1       On May 11, 2023, the Court conducted a hearing on an order to show cause re: civil  
2 contempt, and testimony of witnesses was presented both in person and over ZoomGov. At the  
3 conclusion of the hearing, Trustee and Codding entered into stipulated terms to resolve the OSC,  
4 which were read into the record. The Court set a continued hearing date for June 15, 2023, at 11:00  
5 a.m.

6       On May 12, 2023, as Dk. No. 394, Trustee filed a stipulation signed by Codding which  
7 memorialized and supplemented the terms read into the record (“Contempt Stipulation”). The  
8 Contempt Stipulation provided that Codding would pay up to \$140,000 to the Estate by June 14,  
9 2023, or otherwise would agree to be adjudicated in contempt.

10      On May 16, 2023, as Dk. No. 397, secured creditor AgWest Farm Credit, FLCA (“FCW”)  
11 filed an objection to the Contempt Stipulation, regarding the treatment of the contempt sanctions.  
12 This objection was later resolved by stipulation.

13      No funds were received by June 14, 2023.

14      On July 28, 2023, as Dk. No. 416, the parties filed a subsequent stipulation providing an  
15 increased payment of \$160,000 to be made by September 12, 2023, by Codding, which stipulation  
16 was approved by an order of the Court entered as Docket No. 417.

17      No funds were received by September 12, 2023.

18      On September 13, 2023, as Dk. No. 421, a further status report was filed where Codding  
19 offered to pay an increased amount of \$170,000. However, no funds were received by the date of  
20 the continued hearing on September 27, 2023. At the hearing, the Court found that Codding should  
21 be adjudicated in civil contempt, and set a continued hearing for October 18, 2023.

22      On October 5, 2023, as Dk. No. 424, the Court entered an order adjudicating Codding in  
23 civil contempt (“Contempt Order”). The Contempt Order provided that the agreed amount of  
24 \$170,000 must be paid by Codding no later than October 7, 2023, at 11:50 p.m. Pacific Prevailing  
25 Time.

26      No funds were received by October 7, 2023. At the hearing on October 18, 2023, the Court  
27 set a further continued hearing for November 8, 2023, based in part on Codding’s representation  
28 that he would obtain funds by October 31, 2023.

1 No funds were received by October 31, 2023.

2 On November 6, 2023, as Dk. No. 430, Trustee filed a status report regarding Codding's  
3 updated statement that he would obtain a cashier's check for \$170,000 by Friday, November 10,  
4 which was two days after the scheduled hearing. Based on Codding's representation, the parties  
5 jointly requested that the hearing be continued for approximately one week. Based on the status  
6 report, the Court vacated the hearing on November 8, 2023, and set a further hearing on November  
7 16, 2023, at 11:00 a.m.

8 No cashier's check was received by Trustee by November 10, 2023.

9 On November 14, 2023, as Dk. No. 434, Trustee filed a status report regarding Codding's  
10 updated statement that he would obtain a cashier's check for \$175,000 by Friday, November 15,  
11 which was two days prior to the scheduled hearing. Based on Codding's representation, the parties  
12 jointly requested that the hearing be continued for approximately one week. Based on the status  
13 report, the Court vacated the hearing on November 16, 2023, and set a further hearing on December  
14 6, 2023, at 11:00 a.m. Codding informed Trustee on December 4, 2023, that he had an attorney  
15 meeting on December 6, 2023, at 2:00 p.m. (i.e. three hours after the hearing), to assist with  
16 obtaining the loan.

17 No funds received by Trustee by the continued hearing on December 6, 2023. The Court  
18 continued the hearing to January 9, 2024, at 11:00 a.m., with a status report due seven days in  
19 advance.

20 On January 2, 2024, as Docket No. 441, Trustee filed an updated status report with the  
21 Court.

22 At the hearing on January 9, 2024, the Court imposed additional sanctions of \$200 per day  
23 on Codding for his continuing failure to turn over and pay the monetary sanctions to Trustee, and,  
24 after hearing Trustee's concerns about Codding's obfuscation, also directed Codding to make the  
25 third parties available to communicate with Trustee.

26 On January 10, 2024, as Dk. No. 442, the Court entered an order providing for additional  
27 monetary sanctions of \$200 per day starting from January 9, 2024.

28 On January 19, 2024, as Dk. No. 444, Trustee submitted a further status report stating that

1 based on Trustee's investigation, it appeared that Codding had made material misrepresentations to  
2 both the Court and the Trustee regarding his ability to obtain a loan secured by real property owned  
3 by his stepfather, Charles Munch. In summary, Trustee and his counsel spoke with the purported  
4 lender for Codding's loan, and the attorneys representing the trustees of the Charles Munch family  
5 trusts, and was informed that Codding had never told the trust attorneys that he intended on  
6 obtaining a portion of the proceeds from a loan which was intended for the benefit of Charles  
7 Munch. Based on this conversation, Trustee believed that Codding had made material  
8 misrepresentations to the Court.

9 On January 26, 2024, as Dk. No. 446, Trustee filed, as a courtesy to Codding, certain  
10 documents that he requested to be filed in response to Trustee's allegations of misrepresentations.

11 On February 1, 2024, as Dk. No. 447, the Court entered an order continuing the status  
12 conference to February 27, 2024, and suspending the additional monetary sanctions of \$200 per  
13 day.

14 On February 20, 2024, as Dk. No. 451, Trustee submitted a further status report stating that  
15 based on Trustee's investigation, it appeared that Codding may have made material  
16 misrepresentations to the Court regarding the loan.

17 On February 20, 2024, as Dk. No. 452, Trustee filed, as a courtesy to Codding, certain  
18 documents that he requested to be filed in response to Trustee's allegations of misrepresentations.

19 On April 2, 2024, as Dk. No. 467, the Court entered an order re further adjudication of civil  
20 contempt ("April 2 Order").

21 On April 11, 2024, as Dk. No. 470, the Court entered an order modifying the April 2 Order  
22 and Setting Continued Status Conference on Contempt.

23 On May 28, 2024, as Dk. No. 475, the Court entered an order continuing the status  
24 conference to July 2, 2024.

25 On August 16, 2024, as Dk. No. 480, the Court entered an order continuing the status  
26 conference to September 10, 2024.

27 / / /  
28 / / /

## 1 || 2. Status Report

On April 2, 2024, Trustee's counsel contacted the United States Marshals Service ("Marshals") asking for information on the status of the Marshals locating Codding. Counsel was forwarded to the Marshals' office in Los Angeles and informed that the Los Angeles office would be the one to enforce the body detention order.

On April 3, 2024, counsel received a voicemail from Deputy Rojas from the Marshals' Los Angeles office stating that so long as the body detention order had been issued and delivered, that it would be executed "whenever we get the time."

9 On June 26, 2024, Trustee and counsel again contacted the Marshals' office via telephone  
10 and spoke with Deputy Cabanas in the Santa Ana office, and a copy of the body detention order was  
11 e-mailed to Deputy Cabanas and Trustee was informed that the Marshals would immediately seek  
12 to locate Codding.

13 On August 19, 2024, Trustee and counsel again contacted the Marshals' office and  
14 requested an update. Deputy Cabanas informed Trustee that the Santa Ana office would not be able  
15 to handle the request, but that the Los Angeles office would handle the body detention order.  
16 Trustee left a voicemail for Deputy Marshal Picou at the Los Angeles office requesting an update  
17 and offering assistance.

18 Between August 19-23, 2024, Trustee provided information upon request to Deputy Marshal  
19 Picou but has not received any further contact or update afterwards.

20 Trustee also has not received any communications from Mr. Codding since March 2024.

22 || DATED: September 9, 2024

## MARSHACK HAYS WOOD LLP

By: /s/ Tinho Mang  
D. EDWARD HAYS  
TINHO MANG  
Attorneys for Chapter 7 Trustee  
RICHARD A. MARSHACK

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **TRUSTEE'S STATUS REPORT REGARDING ONGOING CIVIL CONTEMPT PROCEEDINGS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On September 9, 2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:** On September 9, 2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**DEBTOR**

NORTHERN HOLDING, LLC  
ATTN: OFFICER, A MANAGING OR GENERAL AGENT,  
OR TO ANY OTHER AGENT AUTHORIZED BY  
APPOINTMENT OR LAW TO RECEIVE SERVICE  
13217 JAMBOREE RD #429  
TUSTIN, CA 92782

**INTERESTED PARTY**

LEE CODDING  
13217 JAMBOREE ROAD, #429  
TUSTIN, CA 92782

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL:** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on September 9, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**VIA PERSONAL DELIVERY:**

**PRESIDING JUDGE'S COPY**

HONORABLE SCOTT C. CLARKSON  
UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE  
411 WEST FOURTH STREET, SUITE 5130 / COURTROOM 5C  
SANTA ANA, CA 92701-4593

Email: lecoddingiv@icloud.com

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 9, 2024  
Date

Layla Buchanan  
Printed Name

/s/ Layla Buchanan  
Signature

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): CONTINUED:**

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